

## Edits Relating to Chapter 6

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<i>Chapter #</i>	<i>Page #</i>	<i>Existing Text</i>	<i>Desired Text or Comment</i>	<i>Significance?</i>
6.II.A, Manure-to- Energy Facilities	6-5	First paragraph under Electricity:  “A CPUC program should be developed to require electric utilities to purchase excess electricity from biogas production at an attractive rate.”	The CPUC will soon adopt a tariff (E-SRG) which requires investor-owned utilities to offer a PPA for renewable generation up to 1.5 MW. Therefore, this recommendation is no longer needed for IOUs but should apply to POUs.  “CPUC will soon adopt a tariff (E-SRG) which will require investor-owned utilities to offer a PPA for renewable generation up to 1.5 MW. However, this benefit is not available to customers of publicly owned utilities (POUs). Therefore, the State should ensure that this requirement is extended to customers of POUs.”	Major – discussion required
6.II.A, Manure-to- Energy Facilities	6-5	First paragraph under Electricity:  “Eliminating demand charges from NEMBIO (net metered biogas) operations that have only infrequent service interruptions due to routine maintenance is also recommended as long as maintenance is conducted off-peak.”	The demand charges would not really be “eliminated” – the burden would just shift to other ratepayers. There is no compelling reason why other ratepayers should bear this burden. This recommendation should be <del>deleted</del> .  Alternative text:  “Eliminating demand charges from NEMBIO (net metered biogas) operations that have only infrequent service interruptions due to routine maintenance is <del>recommended by some ETAAC members</del> , as long as maintenance is conducted off-peak. <del>However, this charge will not truly be “eliminated” but will shift to other ratepayers.</del> Some ETAAC members believe that there is no compelling reason for other ratepayers to bear these costs which should be borne by biogas customers.”	Major – discussion required

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6.II.A, Manure-to- Energy Facilities	6-5	First paragraph under Electricity:  “All RECs and carbon credits should accrue to the farmer generating the electricity.”	Please also note that if the project owner/generator is selling the biogas to utilities to be used to create RPS-eligible electricity, then the REC is included in the transaction. Revise text as follows:  “All RECs and carbon credits should accrue to the farmer generating the electricity, <b>unless the project owner/generator is selling the biogas to utilities to be used to create RPS-eligible electricity, in which case the REC would be included in the transaction.</b> ”	Major – discussion required
6.II.A, Manure-to- Energy Facilities	6-6	First paragraph:  “Utilities should be required to interconnect biogas electrical generators under the Rule 21 process with a fixed time frame and with prescribed resolutions in case of delays.”	Interconnection falls under FERC jurisdiction unless specifically exempted (e.g. QFs and net- metered facilities). The CPUC has no authority to override FERC jurisdiction under Rule 21. Furthermore, to ensure fair and equal treatment of all customers, all applicable interconnection projects should follow procedures pursuant to Rule 21, rather than giving preferential treatment for specific types of projects.  The existing text should be <b>deleted.</b>	Major – discussion required

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6.II.A, Manure-to-Energy Facilities	6-6	First paragraph:  “If purification and injection is a preferred use of biogas, monetary incentives should be given and interconnection costs shared among natural gas utilities.”	It is not clear what the basis is for “preferred use”. The text should clarify that incentives should be provided based on cost effective GHG reduction. In addition, no rationale has been given for natural gas utilities to share interconnection costs; thus, this recommendation should be deleted. The text should be edited as follows:  “If purification and injection of biogas is determined to be a more cost effective GHG-reduction option, the State should consider providing monetary incentives.”	Major – discussion required
6.II.C, Agriculture Biomass Utilization	6-8	First paragraph under <i>Problem</i> :  “The ability of these facilities to sell power is not certain, however, as the utilities have not always been willing to buy power from third-party renewable generators. Ownership of the RECs is also subject to differing interpretations, particularly when it comes to the GHG emission reduction values that go beyond the netting of carbon emissions.”	These statements are out-of-date and should be deleted. All three IOUs have made extra efforts to sign bio-energy contracts in the last several years. PG&E has signed 11 such contracts since 2002. SCE has created 3 special standard contracts to facilitate bio-energy purchases. The REC and GHG credit issues have been the subject of multiple CPUC proceedings and are fully resolved. The existing text should be <b>deleted</b> .	Major – discussion required
6.III, Priority Actions	6-19	“5. Require electric utilities to purchase excess electricity from biogas production at an attractive rate and implement competitive power purchase agreements that allow a generator to keep RECs or compensate for them”	See discussion above regarding 6.II.A.  “5. Extend requirement for investor-owned utilities to offer a PPA for renewable generation up to 1.5 MW to publicly owned utilities.”	Major – discussion required

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6.III, Priority Actions	6-19	“7. Eliminate demand charges from net metered biogas operations who have only infrequent service interruptions due to routine maintenance”	See discussion above regarding 6.II.A.  <b>Delete</b> this item.	Major – discussion required
6.III, Priority Actions	6-20	“12. Share biomethane interconnection costs with natural gas utilities and develop monetary incentives if purification and injection is preferred use of biogas”	See discussion above regarding 6.II.A. Revise text to:  <b>“12. Consider providing monetary incentives if purification and injection is determined to be a more cost effective GHG reduction option.”</b>	Major – discussion required
6.III, Priority Actions	6-20	“15. Require utilities to interconnect biogas electrical generators under the Rule 21 process as opposed to FERC with a fixed time frame and a process to resolve delay”	See discussion above regarding 6.II.A. <b>Delete</b> this item.	Major – discussion required
6.III, Priority Actions	6-20	“19. Clarify ownership of RECs and GHG credits in future rulings and regulations.”	See discussion above regarding 6.II.C. <b>Delete</b> this item.	Major – discussion required